

March 5, 2015

To Whom it May Concern:

I am writing to express my disapproval of proposal SB 946. My opposition to this proposal to eliminate minimum bottle pricing, increase the number of permits held by an entity from 3 to 6 and increase retail hours for grocery stores and package store is because I feel it will hurt the consumer, the stand alone retail package stores and the employees working in the alcohol beverage industry in Connecticut.

Removing the minimum bottle pricing was discussed several years ago and the Governor's own task force concluded that CT's sales and excise taxes are higher than surrounding states and CT prices before taxes are actually competitive with surrounding states - so why is this being proposed again? If the Governor wants prices to drop he should reduce or repeal taxes and this would help the consumer. REPEALING MINIMUM PRICING ONLY ALLOWS OUT OF STATE BIG-BOX RETAILERS TO DO PREDATORY PRICING AND USE LOSS LEADERS TO DRIVE OUT LOCAL PACKAGE STORES. Once they dominate the marketplace, pricing will no longer have competition and our businesses cease to exist. Because of our numerous local package stores CT has one of best and vast selections of boutique spirits, wine and beer in the country and all those brands will lose placements and representation if big-box retailers are allowed to dominate the market. How does this help the consumer?

Increasing the permits from 3 to 6 allows the big-box retailer to dominate the market and drive the small, medium and large package stores from business. Permits exist to make sure locally owned business with roots in the community are the ones selling alcohol. In 2012, the number of licenses that one backer can hold was increase from 2 to 3. With 6 permit limit one giant retailer could control and sell 20%-25% of all retail beverage alcohol. (Source CPSA). In addition CT's 1,200 package stores employ over 3,000 people. Small business is the backbone of our economy. We live, we work, and we pay our taxes in CT.

Increasing store hours to 10:00pm Monday through Saturday and to 8:00pm on Sundays will not increase overall sales. When Sunday sales were introduced we were told we'd see an increase in sales but we did not see any increase in sales and stores lost another 5% of beer business to grocery stores. (Source CPSA) Package stores have sacrificed enough. During the 2012 session, addiction and treatment specialists as well as the police testified that increased outlets and hours add to the problems so they opposed convenience stores and gas stations selling alcohol. CT already exceeds the national median in alcohol consumption; people can only drink so much. Spreading the same sales over more store hours only increases our costs.

Please emphatically support and urge your colleagues to support the opposition of SB946. It will not generate additional revenue to the State of Ct and help the budget deficit. It will only serve to put people out of work, reduce choices for the consumers and does not support small business.

Sincerely,

Sarah Gersky
The Cork Fine Wine & Spirits